

Converging Industries Research Foundation

Practical Solutions for Communications Policy

October 18, 2001

Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-B204
Washington, DC 20554

Dear Ms. Salas,

I am filing the attached research in my role as President of the Converging Industries Research Foundation (CIRF), formerly the Telecommunications Industries Analysis Project (TIAP). This is an information filing for the FCC's Federal-State Joint Board on Universal Service, Comments on Review of Lifeline and Link-Up Service for All Low-Income Consumers, CC Docket No. 96-45.

This filing consists of:

- *Closing the Gap: Universal Service for Low-Income Households*: A research paper that examines Lifeline service—monthly assistance to low-income households for basic telephone service.
- An executive summary.
- A resolution by the National Association of State Regulatory Commissioners (NARUC) that recommends this paper.

This research was produced by a neutral forum to assist policy makers in their decision making. This paper is intended to provide general public information and does not constitute or foretell the official position of any of the parties (agencies, companies, or individuals) who contributed to this paper.

In accord with the FCC guidelines, this filing has been submitted electronically.

Sincerely,

Carol Weinhaus
President

***Resolution Regarding Universal Service for Low Income Households
(LIFELINE)***

WHEREAS, The National Association of Regulatory Utility Commissioners ("NARUC") has a vested interest in universal service support for low income households (Lifeline); and

WHEREAS, Continuing changes in the telecommunications industry may have uncertain impacts on end user consumers; and

WHEREAS, Interests of affordability and comparability must be sufficiently accommodated; and

WHEREAS, The Telecommunications Industries Analysis Project (TIAP), an impartial research forum, has released a paper entitled "Closing the Gap: Universal Service for Low-Income Households" in which empirical study confirms that:

- States that have relatively more low-income households have a lower percent of households with telephones; and
- An increase in the monthly amount of support per household above the minimum \$5.25 generally increases the percent of eligible low-income households with telephone service by 7 percent on average; and
- States with initiatives that go beyond the federal/state Lifeline requirements increase the percent of eligible low-income households with telephone service by an average of 25.3 percent; and

WHEREAS, Section 254 of the Telecommunications Act of 1996 sets forth the principal that quality services should be available at just, reasonable and affordable rates; and

WHEREAS, Basic universal service is the foundation for economic provision of advanced services rapidly becoming a mainstay in the United States' economy; *now therefore be it further*

RESOLVED, That the Board of Directors of National Association of Regulatory Utility Commissioners ("NARUC") convened at its July 2000 Summer Meetings in Los Angeles, California, applauds the work done by TIAP in preparing objective empirical analysis for policy makers' consideration, and recommends the paper; and be it further

RESOLVED, That NARUC affirms its support for states to explore initiatives to improve the utilization of Lifeline among low-income households.

*Sponsored by the Committee on Consumer Affairs
Adopted by the NARUC Board of Directors, July 26, 2000*